



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review, in Part, and Intent to Rescind, in Part; 2015-16

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). The period of review (POR) is November 6, 2015, through December 31, 2016. We preliminarily determine that Dongbu Steel Co., Ltd/Dongbu Incheon Steel Co., Ltd. (Dongbu) and Hyundai Steel Company (Hyundai Steel) received countervailable subsidies during the POR. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Myrna Lobo or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2371 and (202) 482-1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 2017, Commerce published a notice of initiation of an administrative review of the CVD order on CORE from Korea.¹ On June 20, 2018, Commerce extended the deadline for the preliminary results to August 3, 2018.² For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by the order is certain corrosion-resistant steel products. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 42974 (September 13, 2017) (*Initiation Notice*). *See also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 48051 (October 16, 2017) (*Initiation Notice Correction*), at footnote 8.

² *See* Memorandum regarding Corrosion-Resistant Steel Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review – 2015-2016, dated March 23, 2018; *see also* Memorandum, “Extension of Deadline for Preliminary Results of Countervailing Administrative Review – 2015-2016,” dated June 20, 2018.

³ *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review, Rescission of Review, in Part, and Intent to Rescind, in Part; 2015-2016: Certain Corrosion-Resistant Steel Products from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Rescission of Administrative Review, In Part

Commerce initiated a review of 22 companies in this segment of the proceeding.⁴ Two of these companies, Dongkuk Steel Mill Co., Ltd. and Union Steel Manufacturing Co. Ltd. are not subject to the CVD order on CORE from Korea.⁵ Accordingly, we are rescinding the review with respect to these two companies.

Intent to Rescind Administrative Review, In Part

Based on information submitted by Mitsubishi International Corporation after the initiation of this administrative review, and because there is no evidence on the record to indicate that this company had entries of subject merchandise during the POR, we preliminarily intend to rescind the review with respect to Mitsubishi International Corporation.⁶ A final decision regarding whether to rescind the review of this company will be issued with the final results of review.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution

⁴ See *Initiation Notice and Initiation Notice Correction*. The 22 companies were: Bukook Steel Co., Ltd.; CJ Korea Express; DK Dongshin Co., Ltd.; Dongbu Steel Co., Ltd., Dongbu Incheon (collectively, Dongbu) Steel Co., Ltd.; Dongbu Express; Dongkuk Steel Mill Co., Ltd.; Hongyi (HK) Hardware Products Co., Ltd.; Hyundai Steel; Jeil Sanup Co., Ltd.; Mitsubishi International Corp.; POSCO; POSCO C&C; POSCO Daewoo Corp.; Sejung Shipping Co., Ltd.; SeAH Steel, Seil Steel Co., Ltd.; Soon Hong Trading Co., Ltd.; Taisan Construction Co., Ltd.; TCC Steel Co., Ltd.; Union Steel Manufacturing Co., Ltd.; and Young Sun Steel Co.

⁵ See Preliminary Decision Memorandum.

⁶ *Id.*

that gives rise to a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Dongbu and Hyundai Steel were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Dongbu and Hyundai Steel using publicly ranged sales data submitted by respondents. This is consistent with the methodology that we would use in an investigation to establish the all-others rate, consistent with section 705(c)(5)(A) of the Act.

Preliminary Results of Review

In accordance with 19 CFR 351.224(b)(4)(i), we preliminarily determine that the following subsidy rates exist for the 2015 and 2016 periods. The 2015 rate applies to the November 6, 2015, through December 31, 2015, period when liquidation of entries was suspended. The 2016 rate applies to entries suspended during 2016 and to establish the cash deposit rate for exports of subject merchandise subsequent to the final results.

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Company	Subsidy Rate (percent <i>ad valorem</i>)	
	2015	2016
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	7.63	8.47
Hyundai Steel Company	0.55	0.57
Bukook Steel Co., Ltd.	3.09	3.34
CJ Korea Express	3.09	3.34
DK Dongshin Co., Ltd.	3.09	3.34
Dongbu Express	3.09	3.34
Hongyi (HK) Hardware Products Co., Ltd.	3.09	3.34
Jeil Sanup Co., Ltd.	3.09	3.34
POSCO	3.09	3.34
POSCO C&C	3.09	3.34
POSCO Daewoo Corp.	3.09	3.34
Sejung Shipping Co., Ltd.	3.09	3.34
SeAH Steel	3.09	3.34
Seil Steel Co., Ltd.	3.09	3.34
Soon Hong Trading Co., Ltd.	3.09	3.34
Taisan Construction Co., Ltd.	3.09	3.34
TCC Steel Co., Ltd.	3.09	3.34
Young Sun Steel Co.	3.09	3.34

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review. For companies for which this review is rescinded, Commerce will instruct CBP to liquidate entries without regard to countervailing duties. Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁸ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit

⁸ See 19 CFR 224(b).

for filing case briefs.⁹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁰

Interested parties who wish to request a hearing must do so within 30 days of publication of these preliminary results by submitting a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system.¹¹ Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the scheduled date of the hearing which will be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined.¹² Issues addressed during the hearing will be limited to those raised in the briefs.¹³ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

⁹ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹⁰ See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹¹ See 19 CFR 351.310(c).

¹² See 19 CFR 351.310.

¹³ See 19 CFR 351.310(c).

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: August 3, 2018.

James Maeder,
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Review
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[FR Doc. 2018-17156 Filed: 8/9/2018 8:45 am; Publication Date: 8/10/2018]